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LAW OFFICES
BRADY & BERLINER
A PROFESSIONAL CORPORATION
1225 NINETEENTH STREET, N.W.
SUITE 800
WASHINGTON, D.C. 20036
TELEPHONE (202) 955-6067
FACSIMILE (202) 822-0109

CALIFORNIA OFFICES
LOS ANGELES
SACRAMENTO
BERKELEY

December 17, 1999

Ms. Magalie Roman Sallas, Secretary
Federal Communications Commission
445 - 12th Street, S.W.
Room TW-A325
Washington, D.C.

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DEC 17 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: CC Docket No 96-45

Dear Ms. Sallas:

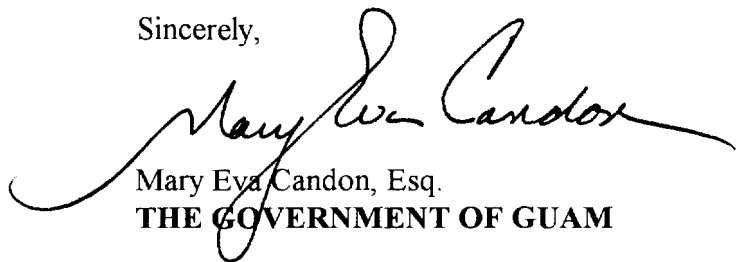
Please find enclosed for filing the following items:

1. Original of the Comments of the Government of Guam.
2. Four copies of this original.

Please date stamp a copy of this document for our records to be returned to us.

Thank you for your prompt attention to this matter

Sincerely,


Mary Eya Candon, Esq.
THE GOVERNMENT OF GUAM

Enclosures

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Promoting Deployment and Subscribership)
In Unserved and Underserved Areas,)
Including Tribal and Insular Areas)
Federal-State Joint Board on Universal Service)

CC Docket No. 96-45

COMMENTS OF THE
GOVERNMENT OF GUAM

The Government of Guam ("GovGuam"), by its attorneys, hereby comments on the Further Notice of Proposed Rulemaking in this proceeding:¹

INTRODUCTION

Guam is a Territory of the United States located in the Western Pacific, some 6000 miles from the U.S. Mainland. Guam for many years was a backwater in telecommunications, but increasingly over the last several years, has put in place the facilities and policies to allow it to be the U.S. telecommunications hub of the Western Pacific. Guam is served by the INTELSAT satellite system and is a landing point for virtually every major Pacific fiber optic submarine cable system.

Guam is served by the Guam Telephone Authority ("GTA"), an incumbent local exchange carrier and an autonomous agency of the government of the Territory of Guam. Through a state-of-the art fiber optic system, GTA provides local one-party residential

¹ Federal-State Joint Board on Universal Service: *Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas*, Further Notice of Proposed Rulemaking, FCC 99-204, released September 3, 1999 ("FNPRM").

and business service to the civilian population of the entire island, and non-official (Class B) military telecommunications services at the Air Force and Naval bases. GTA has over 60,000 subscribers, the vast majority of whom are located in the populated northern end of the island. GTA is both an "eligible carrier" for the receipt of universal service support and a rural telephone company.

GovGuam applauds the Federal Communication Commission's ("FCC" or "Commission") efforts to recognize the special needs of unserved areas, and particularly the unique challenges faced by insular areas, such as Guam.² This proceeding represents an ideal opportunity for the FCC to address difficult problems affecting consumers in Guam, including (1) the high cost of telephone service in certain remote regions of Guam, (2) the unavailability of reliable, economical telemedicine between Guam and the U.S. mainland, and (3) the high cost of accessing information services, such as the World Wide Web and "toll-free" numbers from Guam.

I. DISCUSSION

In the FNPRM, the Commission evidenced its interest in the differences between the needs and opportunities available to residents of unserved and insular areas and those located in the remainder of the United States. In areas of Guam, the increasingly necessary capacity for electronic connection to the world is affected by the high cost of extending even basic telephone service to remote areas. Because there is no fully-equipped university hospital on Guam, there is a demonstrable need for a high-capacity circuit connecting Guam health care providers to the facility at the University of Hawaii in

² In this connection, GovGuam supports the Commission's tentative conclusion that Guam is properly included within the definition of Insular Area.

Honolulu and corresponding hospitals on the mainland. Finally, the high rates for interexchange services effectively limit low-income resident's access to toll-free and advanced services.

A. Underserved Areas

The southern region of Guam is a relatively sparsely populated, mountainous area where the cost of providing basic telephone service is high. Because Guam is a victim of frequent and highly destructive typhoons, GTA's basic distribution system, including its fiber optic ring around the island, must be buried underground. In the hostile, rocky terrain of southern Guam, this has been a difficult and expensive undertaking, but requirement for reliable service. The FNPRM provides a vehicle for revisiting the structure of the support program for the availability of basic telecommunications services in underserved areas, such as the southern region of Guam.

B. Insular Telemedicine

As the Commission recognized, the issue of access to state-of-the-art medical care is of extreme importance to insular areas, such as Guam. There is no fully-equipped university hospital on Guam, so health care providers in the Territory rely on access to other hospital facilities able to offer complete services. The closest such facility is the University of Hawaii. Because of the absence of an affordable high-capacity circuit to connect Guam's health care providers to the facilities of other hospitals, Guam's doctors are forced to rely on the slow and often unavailable Internet for access to this vital medical information. As currently crafted, Guam and other insular areas are excluded from support under the rural health care program. This is inconsistent with Congress' intent to

ensure that insular areas, such as Guam, receive support for the high cost of providing telemedicine to rural health care providers. The Commission should thus use the FNPRM as a vehicle for revisiting the structure of the support program for telemedicine in insular areas. Specifically, the program should provide GTA support for hospital to hospital health care links to Honolulu and the mainland. The Commission clearly has legal authority to provide funding for such links, either through the Rural Telemedicine Fund or by the High-Cost Universal Service Fund. In this way, the Commission will ensure that the citizens of Guam receive the benefits Congress intended the Territory to receive under the federal rural telemedicine program.

C. Access to Interexchange Services

Residents of Guam do not have access to most 800/888 toll-free numbers comparable to that enjoyed by mainland residents, without paying the cost of a toll call to Hawaii. (While this might not seem unreasonable, many of these numbers have a time on hold that makes a toll call prohibitive). This is because providers of 800/888 toll-free services have not generally included insular areas into their toll-free calling areas. Section 254(g) of the Communications Act was intended to be the primary vehicle for ensuring equitable access to long distance services at reasonable rates for residents of rural and insular areas. It is unclear, however, whether interexchange carriers are complying with their Section 254(g) obligations with respect to their 800/888 toll-free access service offerings. Specifically, interexchange carriers may not be structuring the prices and other terms of their toll-free services in such a way as to make it economically feasible for customers in the U.S. mainland to include Guam in their toll-free calling areas. The

Commission should gather information on this issue, and should determine whether any violations of the rate integration rules are occurring.

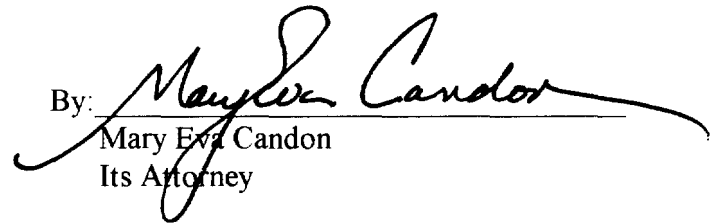
II. CONCLUSION

The FNPRM in this docket provides a rare opportunity to correct some of the inequities suffered by residents of the insular areas, as well as American tribal peoples. Strong action can encourage economic development, as well as equitable treatment. The Government of Guam applauds the Commission's intent and looks forward to the results.

Respectfully submitted,

GOVERNMENT OF GUAM

By:

A handwritten signature in black ink, appearing to read "Mary Eva Candon", written over a horizontal line.

Mary Eva Candon
Its Attorney

Dated: December 17, 1999